GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5092
ANSWERED ON:20.04.2001
INCOME TAX SEARCH ON HOTELS AND RESTAURANTS
SU THIRUNAVUKKARASAR

Will the Minister of FINANCE be pleased to state:

(a) whether the Income Tax Department made thorough searches on the premises of some hotels and restaurants in Delhi in the year 2000 to unearth huge income-tax evasion by these hotels and restaurants;

(b) if so, the details of hotels and restaurants whose premises were searches;

(c) whether the documents seized by the Income-Tax Department reveals that these hotels and restaurants have evaded income-tax to the tunes of crores of rupees;

(d) if so, the total income-tax estimated to have been evaded by these hotels and restaurants during the last three years; and

(e) if so, the total recovery made from these hotels and restaurants?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a)&(b): During the Financial Years 1999-2000 and 2000-2001 searches were conducted in respect of three Hotels/ Restaurants and the details are mentioned as under:

Case I: Name of the Hotel/Restaurant:M/s Bikanerwala Group

Date of Search : 9.3.2000
Total Seizure : Rs. 35.39 lakh

Case II:Name of the Hotel/Restaurant:M/s Evergreen Sweet House

Date of Search : 3.11.2000
Total Seizure : Rs. 20.57 lakh

Case III:Name of the Hotel/Restaurant:M/s Sunair Hotels Ltd.

Date of Search : 21.11.2000
Total Seizure : Rs. 267.41 lakh

(c),(d)&(e): As a result of search and consequential investigation in the case of M/s Bikanerwala Group, theconcealed income has been estimated at Rs. 183 lakh. This group has paid taxes of Rs.1,08,20,000/- so far. In the other two cases investigation is under progress.

Proceedings under Chapter XIV B of the Income Tax Act are being initiated in all the cases for taxing the unaccounted income.